

COUNTY COUNCIL  
OF  
HARFORD COUNTY, MARYLAND

BILL NO. 06-21

Introduced by Council President Wagner at the request of the County ExecutiveLegislative Session Day No. 06-22Date: August 1, 2006

**A BILL approving and providing for a multi-year Installment Purchase Agreement by Harford County, Maryland to acquire development rights in up to 21 acres of agricultural land located at 2870 Pocock Road, Monkton, Maryland 21111 from Lawrence E. Dukes and Kathy L. Dukes, or any other owner thereof for a maximum purchase price of \$7,103.60 per acre or portion thereof (excluding one acre for any existing residential dwelling); providing that the County's obligation to pay such purchase price and interest thereon shall be a full faith and credit general obligation of the County; providing for the levying of taxes for such payments; authorizing the County Executive to make modifications in such Agreement under certain circumstances; providing for and determining various matters in connection therewith.**

By the Council, August 1, 2006

Introduced, read first time, ordered posted and public hearing scheduled

on: September 5, 2006  
at: 6:30 p.m.By Order: Barbara J. O'Connor, Council Administrator**PUBLIC HEARING**

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on September 5, 2006, and concluded on September 5, 2006.

Barbara J. O'Connor, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law.  
Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

RECITALS

In accordance with the provisions of Section 524 of the Charter of Harford County (the "Charter"), the Annual Budget and Appropriation Ordinance of Harford County, Maryland (the "County") the Budget for fiscal year 2007, Bill No. 06-10 (the "Budget Ordinance") includes a project permitting the County to enter into installment purchase agreements to acquire development rights in agricultural lands located within the County, which Budget Ordinance was adopted by the County Council of Harford County, Maryland (the "County Council"), in accordance with the Charter.

Section 520 of the Charter provides that "any contract, lease or other obligation in excess of three thousand dollars (\$3,000) requiring the payment of funds from the appropriations of a later fiscal year shall be authorized by legislative act", and Section 524 of the Charter provides that the County may incur debt and pursuant to Bill No. 93-2 passed by the County Council on March 7, 2006, approved by the County Executive of the County on March 8, 2006, and effective on May 13, 2006, (the "Authorizing Act"), the County has been authorized and empowered to enter into installment purchase agreements to purchase easements for agricultural land preservation purposes.

The Authorizing Act provides that after review by the Harford County Agricultural Advisory Board in accordance with the County's Easement Priority Ranking System and approval by the Harford County Board of Estimates, the County Council, may approve and provide for the acquisition of the development rights in each particular parcel of agricultural land, as defined in the Authorizing Act.

Attached to this Bill as Exhibit A is an application to sell a development rights easement signed by the landowner where agricultural land is the subject of this Bill.

1 Attached to this Bill as Exhibit B are records of The Harford County Agricultural  
2 Advisory Board evaluating all applications to offer development right easements to the County,  
3 with each application ranked pursuant to the County's easement priority ranking system.

4 The County has now determined to enter into an Installment Purchase Agreement with  
5 Lawrence E. Dukes and Kathy L. Dukes, or any other person who is or becomes the owner of all  
6 or any portion of the Land (hereinafter defined) prior to execution and delivery of such  
7 Agreement, in order to acquire the development rights in approximately 21 acres, more or less, of  
8 agricultural land located at 2870 Pocock Road, Monkton, Maryland 21111 within the County and  
9 for an aggregate purchase price not in excess of \$125,000, plus interest thereon, the actual  
10 amount of the purchase price to be equal to the lesser of such maximum amount or \$7,103.60  
11 times the number of acres in such land (minus one acre for any existing residential dwelling  
12 located thereon), upon the terms and conditions hereinafter set forth.

13 NOW, THEREFORE:

14 SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD  
15 COUNTY, MARYLAND, That

16 (a) Harford County, Maryland (the "County") shall enter into an Installment  
17 Purchase Agreement (the "Installment Purchase Agreement") with Lawrence E. Dukes and Kathy  
18 L. Dukes, or any person who is or becomes the owner of all or any portion of the Land  
19 (hereinafter defined) prior to the execution and delivery of the Installment Purchase Agreement  
20 (the "Seller") in order to acquire the development rights in approximately 21 acres of land, more  
21 or less, located at 2870 Pocock Road, Monkton, Maryland 21111 within the County (the "Land"),  
22 for an aggregate purchase price not in excess of \$125,000.00 (the "Purchase Price"), plus interest  
23 thereon as hereinafter provided; provided that the actual amount of the Purchase Price shall be

1 equal to the lesser of such maximum amount or \$7,103.60 multiplied by the number of acres in  
2 the Land (minus one acre for any existing residential dwelling located thereon);

3 (b) The Installment Purchase Agreement shall be in substantially the form  
4 attached hereto as Exhibit C and made a part hereof, and in such form the Installment Purchase  
5 Agreement is hereby approved as to form and content. The Installment Purchase Agreement  
6 shall be dated as of the date of its execution and delivery by the County and the Seller (the  
7 "Closing Date");

8 (c) A portion of the Purchase Price, in the amount determined as hereinafter  
9 provided, shall be paid in cash on the Closing Date. The balance of the Purchase Price shall be  
10 paid to the Seller in each year thereafter to and including a date not more than twenty (20) years  
11 after the Closing Date. The dates on which each such installment is payable shall be determined  
12 by the County Executive and the Treasurer and shall be inserted in the form of the Installment  
13 Purchase Agreement attached hereto as Exhibit C;

14 (d) Interest on the unpaid balance of the Purchase Price shall accrue from the  
15 Closing Date and shall be payable at least annually in each year, commencing on the first of such  
16 dates to follow the Closing Date and continuing to and including a date not more than 20 years  
17 after the Closing Date at an interest rate equal to the yield on U.S. Treasury STRIPS maturing on  
18 the date next preceding the final maturity date in the Installment Purchase Agreement determined  
19 as of the business day preceding the Closing Date and rounded to the next highest 0.05% per  
20 annum. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months;

21 (e) The County's obligation to make payments of the Purchase Price under the  
22 Installment Purchase Agreement and to pay interest thereon is and shall be a general obligation of  
23 the County and is and shall be made upon its full faith and credit.

1        SECTION 2. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF  
2        HARFORD COUNTY, MARYLAND,

3        That it is hereby found and determined that:

4                (a)     The acquisition of the development rights in the Land as set forth in  
5        Section 1 of this Bill and in the form of the Installment Purchase Agreement attached hereto as  
6        Exhibit C is in the best interests of the County;

7                (b)     The Installment Purchase Agreement is a contract providing for the  
8        payment of funds at a time beyond the fiscal year in which it is made and requires the payment of  
9        funds from appropriations of later fiscal years;

10               (c)     Funds for the payment of the Purchase Price under the Installment  
11        Purchase Agreement are included in the Budget Ordinance, As Amended;

12               (d)     The County shall acquire the development rights in the Land in perpetuity;

13               (e)     The Purchase Price is within the legal limitation on the indebtedness of the  
14        County as set forth in Article 25A, § 5(P) of the Annotated Code of Maryland;

15               (f)     The cost of acquiring the development rights in the Land is equal to the  
16        Purchase Price;

17               (g)     The only practical way to acquire the development rights in the Land is by  
18        private negotiated agreement between the County and the Seller.

19        SECTION 3. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF  
20        HARFORD COUNTY, MARYLAND, That the Installment Purchase Agreement shall be signed  
21        by the County Executive of the County (the "County Executive") by his manual signature, and  
22        the Installment Purchase Agreement shall bear the corporate seal of the County, attested by the  
23        manual signature of the Director of Administration of the County (the "Director of  
24        Administration"). In the event that any officer whose signature shall appear on the Installment

1 Purchase Agreement shall cease to be such officer before the delivery of the Installment Purchase  
2 Agreement, such signature shall nevertheless be valid and sufficient for all purposes, the same as  
3 if such officer had remained in office until delivery.

4 SECTION 4. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF  
5 HARFORD COUNTY, MARYLAND, That the County Executive and the Treasurer are hereby  
6 authorized, prior to execution and delivery of the Installment Purchase Agreement, to make such  
7 changes or modifications in the form of the Installment Purchase Agreement attached hereto as  
8 Exhibit C as may be required or deemed appropriate by them in order to accomplish the purpose  
9 of the transactions (including, but not limited to, determining the portion of the Purchase Price to  
10 be paid in cash on the Closing Date and establishment of interest and principal payment dates in  
11 each year that the Installment Purchase Agreement is outstanding) authorized by this Bill;  
12 provided that such changes shall be within the scope of the transactions authorized by this Bill  
13 and the execution of the Installment Purchase Agreement by the County Executive shall be  
14 conclusive evidence of the approval by the County Executive of all changes or modifications in  
15 the form of the Installment Purchase Agreement and shall thereupon become binding upon the  
16 County in accordance with its terms, as authorized by Section 524 of the Charter and the  
17 Authorizing Act (collectively, the "Enabling Legislation"), and as provided for in this Bill.

18 SECTION 5. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF  
19 HARFORD COUNTY, MARYLAND, That the County Executive, the Director of  
20 Administration, the Treasurer of the County and other officials of the County are hereby  
21 authorized and empowered to do all such acts and things and to execute, acknowledge, seal and  
22 deliver such documents (including a Tax Certificate and Compliance Agreement) and certificates  
23 as the County Executive may determine to be necessary to carry out and comply with the

provisions of this Bill subject to the limitations set forth in the Enabling Legislation and any limitations set forth in this Bill.

SECTION 6. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That the Treasurer of the County is hereby designated and appointed as registrar and paying agent for the Installment Purchase Agreement (the "Registrar"). The Registrar shall maintain, or cause to be maintained, books of the County for the registration and transfer of ownership of the Installment Purchase Agreement. In addition, the County may, from time to time, designate and appoint the Department of the Treasury of the County, any officer or employee of the County or one or more banks, trust companies, corporations or other financial institutions to act as a substitute or alternate registrar or paying agent for the Installment Purchase Agreement, and any such substitute or alternate shall be deemed to be the Registrar or an alternate Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any such appointment shall be made by the County Council by resolution and the exercise of such power of appointment, no matter how often, shall not be an exhaustion thereof.

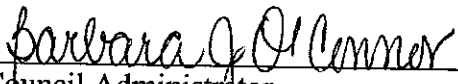
SECTION 7. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That for the purpose of paying the installments of the Purchase Price when due and payable and the interest on the unpaid portion of the Purchase Price when due and payable, there is hereby levied, and there shall hereafter be levied in each fiscal year that any portion of the Purchase Price payable under the Installment Purchase Agreement remains outstanding, *ad valorem* taxes on real and tangible personal property and intangible property subject to taxation by the County, without limitation of rate or amount, and, in addition, upon such other intangible property as may be subject to taxation by the County within limitations prescribed by law, in an amount sufficient, together with the portion of the transfer

1 tax imposed on transfers of real property in Harford County which is dedicated to agricultural  
2 land preservation and other available funds, to pay any installment of the Purchase Price under  
3 the Installment Purchase Agreement maturing during the succeeding year and to pay the annual  
4 interest on the outstanding balance of the Purchase Price until all of the Purchase Price under the  
5 Installment Purchase Agreement and such interest have been paid in full; and the full faith and  
6 credit and the unlimited taxing power of the County are hereby irrevocably pledged to the  
7 punctual payment of the Purchase Price under the Installment Purchase Agreement and the  
8 interest on the unpaid balance of the Purchase Price as and when the same respectively become  
9 due and payable.

10 SECTION 8. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF  
11 HARFORD COUNTY, MARYLAND, That this Bill shall take effect sixty (60) calendar days  
12 after it becomes law.

EFFECTIVE: November 10, 2006

The Council Administrator of the Council does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.

  
\_\_\_\_\_  
Council Administrator



**EXHIBIT A**

**Application**

**EXHIBIT B**

Records of The Harford County Agricultural Advisory  
Board evaluating and ranking applications pursuant  
to the County's easement priority ranking system.

**Harford County Government  
Agricultural Preservation Farm Ranking 2006**

	<b>NAME &amp; ADDRESS</b>	<b>Acreage</b>	<b>Points</b>
1.	Gene & Louise Umbarger Glenville Road Churchville, MD 21028	164	259.13
2.	George Roy Joines 4707 Norrisville Road White Hall, MD 21161	168	258.97
3.	John Joseph & Juanita Ann Mullhausen 1973 Whiteford Road Street, MD 21154	117	237.73
4.	Samuel E. & Sarah S. Jones Trust 2955 Grier Nursery Road Forest Hill, MD 21050	95	229.61
5.	Henri & Deborah Marindin 2909 Troyer Road White Hall, MD 21161	18	226.01
6.	Randall P. Worthington, Sr. Aldino Road Churchville, MD 21028	81	216.36
7.	John D. Worthington, IV 3366 Aldino Road Churchville, D 21028	71	216.36
8.	George Merryman 2135 Line Bridge Road Whiteford, MD 21160	37	202.16
9.	Harry Russell 2860 Pocock Road Monkton, MD 21111	37	198.3
10.	Lawrence & Kathy Dukes 2870 Pocock Road Monkton, MD 21111	18	198.3
11.	Andrew T. Cummings, Sr. 3073 Sandy Hook Road Street, MD 21154	91	197.13
12.	Robert & Laura Burman Charles & Donna Burman 1335 Heaps Road/Bay Road Whiteford, MD 21160	60	190.75
13.	Priestford LLC 801/803/805/835 Priestford Road Darlington, MD 20134	93	189.8

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14.	Donna Morrison & Rebecca Bielecki 3109 Rocks Chrome Hill Road Jarrettsville, MD 21084	66	184.96
15.	Ron & Sharon Testerman 518 Craigs Corner Road Havre de Grace, MD 21078	51	169.44
16.	Robert and Sara Livezey 1821 Ridge Road Whiteford, MD 21160	109	164.67
17.	John & Lynn Katen 1915 Cosner Road Bel Air, MD 21014	71	149.57
18.	Harry and Marie Shreck 4918 Clermont Mill Road Pylesville, MD 21132	40	149.31
19.	Gerald & Victory Schafer 2016 Kalmia Road Bel Air, MD 21015	52	148.88
20.	Mr. & Mrs. Michael Dalton 3733 Jarrettsville Pike Jarrettsville, MD 21084	27	136.47
21.	Robert Markline 737 Mahan Road Aberdeen, MD 21160	29	136.06
22.	Clarence & Shirley Title 3850 Old Federal Hill Road Jarrettsville, MD 21084	30	134.54
23.	Mr. & Mrs. Albert Laisy 2501 Laurel Brook Road Fallston, MD 21047	27	125.91
24.	Cullum/Briney E/S Earlton Road Havre de Grace, MD 21078	26	119.28
25.	DeRan/Petty Telegraph Road Pylesville, MD 21132	35	111.31
26.	Lower Susquehanna Conservancy Old Forge Hill Road Street, MD 21154	31	94.99
27.	Gilbert & Beverly Lerch 240 Cooley Mill Road Havre de Grace, MD 21078	30	92.3
28.	Ben F. & Bev A. Billings 2039 Franklin Church Road Darlington, MD 21034	38	60.95
29.	Mr. & Mrs. Robert Smith 3701 Peach Orchard Road Street, MD 21132	16	60.77

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EXHIBIT C

Form of Installment Purchase Agreement

**INSTALLMENT PURCHASE AGREEMENT**

(No. 2007- )

THIS INSTALLMENT PURCHASE AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, 2006, between LAWRENCE E. DUKES AND KATHY L. DUKES (the "Seller") and HARFORD COUNTY, MARYLAND, a body politic and corporate of the State of Maryland (the "County").

**RECITALS**

A. Pursuant to and in accordance with Bill No. 06-03 now codified as Section 60-9 of the Harford County Code, as amended (the "Authorizing Act"), the County is authorized to preserve agricultural land in Harford County, Maryland by purchasing the development rights (as defined in the Authorizing Act) in agricultural lands located within the County.

B. The Seller is the owner in fee simple of certain agricultural real property located in Harford County, Maryland and more particularly described in Exhibit A to the Deed of Easement (hereinafter defined) (the "Land"). The Seller has offered to sell to the County the Seller's development rights in the Land and the County has accepted such offer, all upon and subject to the conditions set forth in this Agreement.

C. The County will receive the Seller's development rights in the Land for the purposes set forth in the Authorizing Act.

D. Except for the limited transferability described herein and in the Deed of Easement referred to herein, the transfer by the Seller of their development rights in the Land shall be in perpetuity.

E. The Seller owns \_\_\_\_\_ acres of Land, which are a part of the Land on which the County is authorized to acquire a Deed of Easement.

**AGREEMENTS**

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Seller and the County hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. As used in this Agreement, the following terms have the following meanings, unless the context clearly indicates a different meaning:

"Agricultural Use" means the rights of the Seller to continue to use the Land in perpetuity for agricultural purposes which directly contribute to the production, processing, or storage of agricultural products as defined by the United States Department of Agriculture, including agricultural uses permitted within the Harford County Zoning Code.

"Building Lot" means a lot of two acres or less included as part of the Land on the date hereof, which is hereafter either (a) released from the encumbrance of the Deed of Easement for the purpose of creating a building lot for a dwelling for such original Seller, or (b) conveyed or to be conveyed by the original Seller (but not any heir, personal representative, successor or assign) to one or more of such original Seller's children for the purpose of creating a building lot for a dwelling for such child or children, all in accordance with the Deed of Easement.

"Business Day" or "business day" means a day on which (a) banks located in each of the cities in which the principal office of the County or the Registrar is located are not required or authorized by law or executive order to close for business, and (b) The New York Stock Exchange is not closed.

"Closing Date" means \_\_\_\_\_, \_\_\_\_\_, the date of execution and delivery of this Agreement by the parties.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to the Code herein shall be deemed to include the United States Treasury Regulations in effect or proposed from time to time with respect thereto.

"County" means Harford County, Maryland, a body politic and corporate and a political subdivision created and existing under and by virtue of the Constitution and laws of the State, its successors and assigns.

"County Council" means the County Council of Harford County, Maryland.

"County Executive" means the County Executive of Harford County, Maryland.

"Deed of Easement" means the Deed of Easement dated \_\_\_\_\_, \_\_\_\_\_, from the Seller to the County, which shall convey the Development Rights (but not the Agricultural Use) to the County in perpetuity, substantially in form attached hereto as Exhibit A.

"Development Rights" means the rights of the Seller in the Land to develop the Land for any purpose except those which are related directly to or as an accessory use of the Land for Agricultural Use. The term "Development Rights" shall not include the Agricultural Use.



References to Articles, Sections, and other subdivisions of this Agreement are to the designated Articles, Sections, and other subdivisions of this Agreement.

The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

## ARTICLE II

### SALE AND PURCHASE OF DEVELOPMENT RIGHTS

SECTION 2.1. Agreement to Sell and Purchase Development Rights. The Seller agrees to sell the Development Rights to the County and the County agrees to purchase the Development Rights from the Seller on the date hereof for a purchase price of \$\_\_\_\_\_ (the "Purchase Price").

SECTION 2.2. Delivery of Deed of Easement. In order to evidence the sale of the Development Rights to the County, the Seller shall execute and deliver to the County on the Closing Date the Deed of Easement. The Deed of Easement shall be recorded among the Land Records of Harford County, Maryland.

## ARTICLE III

### PAYMENT OF PURCHASE PRICE

#### SECTION 3.1. Payment of Purchase Price.

(a) The County shall pay a portion of the Purchase Price in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) to the Seller on the Closing Date and shall pay the balance of the Purchase Price to the Registered Owner in installments on \_\_\_\_\_ and on the same day of each year thereafter to and including \_\_\_\_\_ (each an "Installment Payment Date"), in the amounts set forth in Schedule I attached hereto and made a part hereof.

(b) Interest on the unpaid balance of the Purchase Price shall accrue from the date hereof and shall be payable to the Registered Owner on \_\_\_\_\_ and annually thereafter in each year to and including \_\_\_\_\_ at the rate of \_\_\_\_\_ % per annum. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

(c) Both the installments of the Purchase Price and the interest on the unpaid balance thereof are payable in lawful money of the United States of America, at the time of payment.

(d) Payment of interest on the unpaid balance of the Purchase Price shall be made by the County on each Interest Payment Date to the Registrar. Payments of the principal installments of the Purchase Price shall be made on each Installment Payment Date to the Registrar. The Registrar shall forward all such payments (other than the final installment of the Purchase Price) to the person appearing on the books of the County maintained by the Registrar as the Registered Owner, by check or draft mailed to the Registered Owner at the address of the Registered Owner as it appears on such registration books or, if the Registered Owner is a trustee who has issued certificates of participation in this Agreement, by wire transfer to such Registered Owner to the bank account number on file with the Registrar on the tenth day before the applicable Interest Payment Date or Installment Payment Date, or if such tenth day is not a Business Day, the Business Day next preceding such day. The final installment of the Purchase Price shall be paid by the Registrar to the Registered Owner upon presentation and surrender of this Agreement at the office of the Registrar.

(e) The County's obligation to make payments of the Purchase Price hereunder and to pay interest on the unpaid balance of the Purchase Price is a general obligation of the County, and the full faith and credit and the taxing power of the County are irrevocably pledged to the punctual payment of the Purchase Price and the interest on the unpaid balance of the Purchase Price as and when the same respectively become due and payable.

### SECTION 3.2. Registration and Transfer of this Agreement.

(a) Until the Purchase Price and all interest thereon have been paid in full, the Registrar, on behalf of the County, shall maintain and keep at the offices of the Registrar, registration books for the registration and transfer of this Agreement. The ownership of this Agreement may not be transferred or assigned, except upon the written approval of the County.

(b) The original Seller is the original Registered Owner. This Agreement shall be transferable only upon the written approval of the County and upon the books of the County maintained for such purpose by the Registrar, at the written request of the Registered Owner as then shown on such registration books or his attorney duly authorized in writing, upon presentation and surrender thereof, together with a written instrument of transfer substantially in the form attached hereto as Exhibit C, or as may otherwise be satisfactory to and approved by the Registrar in writing, duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the surrender for transfer of this Agreement, the Registrar shall complete the Schedule of Transferees attached hereto as Exhibit D with the name, address and tax identification number of the transferee Registered Owner, the date of the transfer and the outstanding principal balance of the Purchase Price as of the date of transfer; provided, however, that if there is any conflict between the information set forth in Exhibit D hereto and the registration books maintained by the Registrar, the information shown on such registration books shall control.



The County and the Registrar may deem and treat the person in whose name this Agreement is registered upon the books of the County maintained by the Registrar as the absolute owner of this Agreement, whether any payments hereunder shall be overdue or not, for the purpose of receiving payment of, or on account of, the Purchase Price and interest thereon and for all other purposes, and all such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon this Agreement to the extent of the sum or sums so paid, and neither the County nor the Registrar shall be affected by any notice to the contrary.

For every registration of transfer of this Agreement, the County or the Registrar may make a charge sufficient to reimburse themselves for any tax or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of registering such transfer.

**SECTION 3.3. Mutilated, Lost, Stolen or Destroyed Agreement.** In the event that this Agreement is mutilated, lost, stolen or destroyed, the County and the Registered Owner (as then shown on the registration books maintained by the Registrar) shall execute a substitute for this Agreement having the same terms as that of this Agreement mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Agreement, such mutilated Agreement shall first be surrendered to the Registrar, and, in the case of any lost, stolen or destroyed Agreement there shall be first furnished to the County and the Registrar evidence of such loss, theft or destruction satisfactory to the County and the Registrar, together with indemnity satisfactory to each of them in their sole discretion. The County and the Registrar may charge the Registered Owner requesting such new Agreement their expenses and reasonable fees, if any, in this connection. If after the delivery of such substitute Agreement, a bona fide purchaser of the original Agreement (in lieu of which such substitute Agreement was issued) presents for payment such original Agreement, the County and the Registrar shall be entitled to recover such substitute Agreement from the person to whom it was delivered or any other person who receives delivery thereof, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor or otherwise to the extent of any loss, damage, cost or expense incurred by the County and the Registrar in connection therewith.

## **ARTICLE IV**

### **REPRESENTATIONS AND WARRANTIES**

**SECTION 4.1. Representations and Warranties of the County.** The County makes the following representations and warranties:

(a) The County is a body politic and corporate and a political subdivision of the State.

(b) The County has the necessary power and authority to acquire the Development Rights, to enter into this Agreement, to perform and observe the covenants and agreements on its part contained in this Agreement and to carry out and consummate all

1 transactions contemplated hereby. By proper action, the County has duly authorized the  
2 execution and delivery of this Agreement.

3  
4 (c) This Agreement has been duly and properly authorized, executed, sealed  
5 and delivered by the County, constitutes the valid and legally binding obligation of the County,  
6 and is enforceable against the County in accordance with its terms.

7  
8 (d) There are no proceedings pending or, to the knowledge of the County,  
9 threatened before any court or administrative agency which may affect the authority of the  
10 County to enter into this Agreement.

11  
12 **SECTION 4.2. Representations and Warranties of the Original Seller.** The original  
13 Seller makes the following representations and warranties with respect to herself, but not with  
14 respect to any transferee Seller:

15  
16 (a) The Seller has full power and authority to execute and deliver this  
17 Agreement and the Deed of Easement, and to incur and perform the obligations provided for  
18 herein and therein. No consent or approval of any person or public authority or regulatory body  
19 is required as a condition to the validity or enforceability of this Agreement or the Deed of  
20 Easement, or, if required, the same has been duly obtained.

21  
22 (b) This Agreement and the Deed of Easement have been duly and properly  
23 executed by the Seller, constitute valid and legally binding obligations of the Seller, and are fully  
24 enforceable against the Seller in accordance with their respective terms.

25  
26 (c) There is no litigation or proceeding pending or, so far as the Seller knows,  
27 threatened before any court or administrative agency which, in the opinion of the Seller, will  
28 materially adversely affect the authority of the Seller to enter into, or the validity or enforceability  
29 of, this Agreement or the Deed of Easement.

30  
31 (d) There is (i) no provision of any existing mortgage, indenture, contract or  
32 agreement binding on the Seller or affecting the Land, and (ii) to the knowledge of the Seller, no  
33 provision of law or order of court binding upon the Seller or affecting the Land, which would  
34 conflict with or in any way prevent the execution, delivery, or performance of the terms of this  
35 Agreement or the Deed of Easement, or which would be in default or violated as a result of such  
36 execution, delivery or performance, or for which adequate consents, waivers or, if necessary,  
37 subordinations, have not been obtained.

38  
39 (e) There exist no liens or security interests on or with respect to the Land  
40 (other than Permitted Encumbrances), or such liens or security interests will be released or  
41 subordinated to the Development Rights.

42  
43 (f) The Seller is not a nonresident alien of the United States of America for  
44 purposes of federal income taxation.  
45

(g) The Social Security Number of the Sellers, Lawrence E. Dukes and Kathy L. Dukes are \_\_\_\_\_ and \_\_\_\_\_, respectively. The Seller shall, upon request of the County, execute Treasurer Form W-9 and deliver the same to the County for filing.

The representations in subsections (f) and (g) above are made under penalties of perjury and the information contained therein may be disclosed by the County to the Internal Revenue Service. The Seller acknowledges that any false statement in such subsections could be punished by fine, imprisonment or both.

## ARTICLE V

### PROVISIONS RELATING TO EXCLUSION OF INTEREST FROM INCOME FOR FEDERAL INCOME TAXATION

SECTION 5.1. Intent of County and Tax Covenant of County. The County intends that the interest payable under this Agreement shall not be includible in the gross income of the Registered Owner for purposes of federal income taxation pursuant to Section 148 of the Code. Accordingly, the County shall not knowingly take or permit to be taken any other action or actions or omit or fail to take any action, which would cause this Agreement to be an "arbitrage bond" within the meaning of Section 148 of the Code, or which would otherwise cause interest payable under this Agreement to become includible in the gross income of any Registered Owner for purposes of federal income taxation pursuant to Section 148 of the Code.

SECTION 5.2. Acknowledgment of Seller with Regard to Tax Consequences of Transaction. The Seller has received an opinion from Miles & Stockbridge P.C., Bond Counsel, dated the date hereof, to the effect that under existing laws, regulations, rulings and decisions, interest payable under this Agreement is not includible in the gross income of the Seller for federal income tax purposes, which opinion assumes continuous compliance with certain covenants in the Tax Certificate and Compliance Agreement to be executed and delivered by the County on the date of delivery of this Agreement and is otherwise limited in accordance with its terms. The Seller acknowledges that they have made their own independent investigation and have consulted with attorneys, accountants and others selected by the Seller in the Seller's sole discretion with respect to all other tax considerations related to the transaction contemplated hereby (including, but not limited to, installment sales treatment under Section 453 of the Code, charitable contribution deductions under Section 170 of the Code, and federal estate tax implications); and the Seller certifies that the Seller has not looked to or relied upon the County or any of its officials, agents or employees, or to Bond Counsel, with respect to any of such matters.

## ARTICLE VI

### THE REGISTRAR

SECTION 6.1. Appointment of Registrar. The Treasurer of the County, is hereby designated and appointed to act as Registrar for this Agreement.

SECTION 6.2. Change of Registrar and Appointment of Successor Registrar. The County shall have the right, subject to the terms of any agreement with the Registrar, to change the Registrar at any time by filing with the Registrar to be removed, and with the Registered Owner, an instrument in writing. Notwithstanding the foregoing, such removal shall not be effective until a successor Registrar has assumed the Registrar's duties hereunder.

SECTION 6.3. Qualifications of Successor Registrar. Any successor Registrar shall be either (a) the Treasurer of the County, (b) an officer or employee of the County, or (c) a bank, trust company or other financial institution duly organized under the laws of the United States or any state or territory thereof which is authorized by law and permitted under the laws of the State to perform all the duties imposed upon it as Registrar by this Agreement.

SECTION 6.4. Successor by Merger or Consolidation. If the Registrar is a bank, trust company or other financial institution, any institution or corporation into which the Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Registrar hereunder shall be a party or any institution or corporation succeeding to the corporate trust business (if any) of the Registrar, shall be the successor Registrar under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Agreement to the contrary notwithstanding.

## ARTICLE VII

### MISCELLANEOUS

SECTION 7.1. Successors of County. In the event of the dissolution of the County, all the covenants, stipulations, promises and agreements in this Agreement contained, by or on behalf of, or for the benefit of, the County, the Seller, any other Registered Owner and the Registrar, shall bind or inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the County shall be transferred.

SECTION 7.2. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation, other than the County, the Seller, any other Registered Owner and the Registrar, any right, remedy or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the County, the Seller, any other Registered Owner from time to time of this Agreement and the Registrar.

SECTION 7.3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and assigns, including, without limitation, all Registered Owners from time to time of this Agreement.

SECTION 7.4. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect

any other provisions of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 7.5. Prior Agreements Canceled; No Merger. This Agreement shall completely and fully supersede all other prior agreements, both written and oral, between the County and the Seller relating to the acquisition of the Development Rights. Neither the County nor the Seller shall hereafter have any rights under such prior agreements but shall look solely to this Agreement and the Deed of Easement for definitions and determination of all of their respective rights, liabilities and responsibilities relating to the Land, the Development Rights and the payment for the Development Rights. In addition, this Agreement shall survive the execution and recording of the Deed of Easement in all respects and shall not be merged therein.

SECTION 7.6. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated except by an agreement in writing between the County and the then-Registered Owner. An executed counterpart of any such amendment shall be attached to this Agreement and shall be binding upon such Registered Owner and all successor Registered Owners.

SECTION 7.7. No Personal Liability of County Officials. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the County in his or her individual capacity, and neither the officers or employees of the County nor any official executing this Agreement shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 7.8. Governing Law. The laws of the State shall govern the construction and enforcement of this Agreement.

SECTION 7.9. Notices. Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals, certificates or other communications required under this Agreement to be in writing shall be sufficiently given and shall be deemed to have been properly given three Business Days after the same is mailed by certified mail, postage prepaid, return receipt requested, addressed to the person to whom any such notice, demand, request, approval, certificate or other communication is to be given, at the address for such person designated below:

County:	Harford County, Maryland
	County Office Building
	220 South Main Street
	Bel Air, Maryland 21014
	Attention: Treasurer

with a copy to: Robert S. McCord, Esquire  
County Attorney  
County Office Building  
220 South Main Street  
Bel Air, Maryland 21014

Seller: Lawrence E. Dukes  
Kathy L. Dukes  
2870 Pocock Road  
Monkton, Maryland 21111

Registrar: John R. Scotten, Jr.  
Treasurer  
County Office Building  
220 South Main Street  
Bel Air, Maryland 21014

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, demands, requests, consents, approvals, certificates or other communications shall be sent hereunder.

SECTION 7.10. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall not be a Business Day, such payment may, unless otherwise provided in this Agreement, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Agreement, and in the case of payment no interest shall accrue for the period after such nominal date.

WITNESS the signatures and seals of the parties hereto as of the date first above written.

[COUNTY'S SEAL] HARFORD COUNTY, MARYLAND

By: \_\_\_\_\_  
David R. Craig  
County Executive

ATTEST:

\_\_\_\_\_  
Lorraine Costello  
Director of Administration

1  
2 WITNESS:  
3  
4

5 \_\_\_\_\_ (SEAL)  
6 Lawrence E. Dukes  
7

8  
9  
10 \_\_\_\_\_ (SEAL)  
11 Kathy E. Dukes  
12

13  
14 SELLER

**BILL NO. 06-21**

SCHEDULE I

INSTALLMENTS OF  
DEFERRED PORTION OF PURCHASE PRICE  
(LAWRENCE E. DUKES AND KATHY L. DUKES)

Date of Payment

Amount Payable

Plus initial payment of purchase  
price on \_\_\_\_\_

\$ \_\_\_\_\_

TOTAL

\$ \_\_\_\_\_

**BILL NO. 06-21**



**BILL NO. 06-21**

**EXHIBIT A**

**FORM OF DEED OF EASEMENT**

**BILL NO. 06-21**

**EXHIBIT B  
TO INSTALLMENT  
PURCHASE AGREEMENT**

**PERMITTED ENCUMBRANCES**

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company (all clauses, if any, which indicate any preference, limitation or discrimination based on race, color, religion or national origin are omitted from all building and use restrictions, covenants and conditions, if any, shown herein):

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for the value of record the estate or interest or mortgage thereon covered by this commitment.
2. Rights or claims of parties other than the insured in actual possession of any or all of the property.
3. Special assessments against the property which are not shown as existing liens by the public records.
4. Real estate taxes, other public charges (including, but not limited to, assessments by any county, municipality, Metropolitan District or Commission) and the balance of any such changes payable on an annual basis which are not yet due and payable.

**EXHIBIT C  
TO INSTALLMENT  
PURCHASE AGREEMENT**

**ASSIGNMENT**

FOR VALUE RECEIVED, LAWRENCE E. DUKES AND KATHY L. DUKES  
(the "Registered Owner"), subject to the approval of Harford County, Maryland, hereby sell[s],  
assign[s] and transfer[s] unto \_\_\_\_\_, without  
recourse, all of the Registered Owner's right, title and interest in and to the Installment Purchase  
Agreement to which this Assignment is attached; and the Registered Owner's hereby irrevocably  
directs the Registrar (as defined in such Agreement) to transfer such Agreement on the books  
kept for registration thereof. The Registered Owner hereby represents, warrants and certifies that  
there have been no amendments to such Agreement [except \_\_\_\_\_].

Date: \_\_\_\_\_

WITNESS OR ATTEST: \_\_\_\_\_

NOTICE: The signature on this  
Assignment must correspond with of  
the name of the Registered Owner  
as it appears on the registration  
books for the Installment Purchase  
Agreement referred to herein in  
every particular, without alteration or  
enlargement or any change whatever.

**ADD NOTARY ACKNOWLEDGMENT**

Transfer of the foregoing Installment Purchase Agreement, as indicated above is approved this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Harford County, Maryland

By: \_\_\_\_\_  
David R. Craig  
County Executive

EXHIBIT D  
TO INSTALLMENT  
PURCHASE AGREEMENT

TRANSFER OF AGREEMENT - SCHEDULE OF TRANSFEREES

The transfer of this Installment Purchase Agreement may be registered only by the Registered Owner under such Agreement in person or by its duly authorized officer or attorney upon approval by Harford County, Maryland upon presentation hereof to the Registrar, who shall make note thereof in the books kept for such purpose and in the registration blank below.

<u>Date of Registration of Transfer</u>	<u>Name of Transferee Registered Owner</u>	<u>Outstanding Balance of Purchase Price</u>	<u>Signature of Registrar</u>
17		\$	
18		\$	
19		\$	
20		\$	
21		\$	
22		\$	
23		\$	
24		\$	
25		\$	
26		\$	
27		\$	
28		\$	
29		\$	
30		\$	
31		\$	
32		\$	
33		\$	
34		\$	
35		\$	
36		\$	
37		\$	
38		\$	
39		\$	
40		\$	
41		\$	
42		\$	
43		\$	
44		\$	

HARFORD COUNTY BILL NO. 06-21

Brief Title Agricultural Preservation – Dukes  
is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

**CERTIFIED TRUE AND CORRECT**

Barbara J. O'Connor  
Council Administrator

Date September 5, 2006

**ENROLLED**

Robert S. Hauger  
Council President

Date September 5, 2006

**BY THE COUNCIL**

Read the third time.

Passed: LSD 06-23

Failed of Passage: \_\_\_\_\_

By Order

Barbara J. O'Connor  
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 6<sup>th</sup> day of September, 2006 at 3:00 p.m.

Barbara J. O'Connor  
Council Administrator



**BY THE EXECUTIVE**

Dorothy M. Cary  
COUNTY EXECUTIVE

APPROVED: Date- September 11, 2006

**BY THE COUNCIL**

This Bill No. 06-21, having been approved by the Executive and returned to the Council, becomes law on September 11, 2006

EFFECTIVE DATE: November 10, 2006

Barbara J. O'Connor  
Barbara J. O'Connor, Council Administrator